The New Preaward Survey - Supplier Risk Management Prior to Award

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Module 1
Risk Management – Pre-Contract

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Risk Management

Module 1 Topics:

- Risk Management Concepts
- DCMA Supplier Risk Management
- Risk Management Training
- Model: SRM Prior to Award

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Risk Management

Risk Management Concepts

- **Risk Management** is a systematic approach to identifying, analyzing, and controlling areas or events with a potential for causing unwanted change. It is through risk management that risk is assessed and systematically managed to reduce risk to an acceptable level.
- **Risk is a measure** of the inability to achieve overall objectives within defined performance, cost, and schedule constraints and has two components:
  - (1) the probability of failing to achieve a particular outcome
  - (2) the consequences of failing to achieve that outcome.
- **Risk Management** is the act or practice of controlling risk. It includes risk planning, assessing risk areas, developing risk-handling options, monitoring risks to determine how risks have changed, and documenting the overall risk management program.

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Risk Management

Risk Management Concepts

- **Risk Management is not :**
  - –a software tool
  - –a person or a job description
  - –a meeting or event
  - –a document that sits on a shelf
- **Risk Management is:**
  - – a **PROCESS** that in one way or another involves everyone on the Preaward Survey

Risk Management

Look familiar?

Supplier Risk Management

Risk Management

DCMA Supplier Risk Management

- DCMAD 1, Chapter 3.1, Supplier Risk Management
  - In effect since 1999
- DCMA Video – Supplier Risk Management
  - Date: 6/26/00, Length: 15.5 minutes
- DCMA Risk Management Web Site
  - **http://home.dcma.mil/dcma-ita/risk.htm**
  - Briefings
  - References
  - Links

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Risk Management Training

- DoD offers Risk Management Training:
  - DoD Risk Management Support Center
- Defense Systems Management College Course
  - PMT 250; Risk+ (Computer/Web Based Tutorial)
  - Receive six (6) DoD Continuous Learning Points
  - Downloadable to local PC
  - Must have **Microsoft Project 2000**
  - Instructions at the above web site!

Risk Management

Still look familiar?

Supplier Risk Management Prior to Award

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Risk Management

End Risk Management . . . .

Begin Risk Planning . . . . MODULE 2